

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

RAINBOW PRODUCTION SERVICES, LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 24-12564 (KBO)

(Jointly Administered)

Related Docket Nos.: 46, 68

**ORDER (I) APPROVING BIDDING PROCEDURES FOR THE SALE OF THE
DEBTORS' ASSETS, (II) APPROVING THE FORM AND MANNER OF NOTICE OF
THE SALE AND BID DEADLINES, (III) AUTHORIZING THE DEBTORS TO SELECT
A STALKING HORSE BIDDER AND ENTER INTO A PURCHASE AGREEMENT
WITH SUCH BIDDER PROVIDING FOR CERTAIN BID PROTECTIONS, (IV)
APPROVING (A) PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND (B) THE FORM AND
MANNER OF NOTICE THEREOF, (V) SCHEDULING THE AUCTION AND THE
HEARING TO CONSIDER APPROVAL OF THE SALE, AND (VI) GRANTING
RELATED RELIEF**

Upon of the motion (the "**Motion**") of the Debtors for entry of two orders:²

An order (this "**Bidding Procedures Order**"):

- (a) approving the bidding procedures (the "**Bidding Procedures**") in substantially the form attached as Exhibit 1 hereto to govern the sale of all or substantially all of the Debtors' assets (the "**Assets**") or component thereof, pursuant to section 363 of the Bankruptcy Code;
- (b) approving the form and manner of notice of the Sale and the Bid Deadline (defined below), substantially in the form attached as Exhibit 2 hereto (the "**Sale Notice**");
- (c) authorizing the Debtors to select Film Services International, LLC ("**FSI**") to act as a stalking horse bidder (the "**Stalking Horse Bidder**") and enter into the Asset Purchase Agreement attached as Exhibit A to the Motion (the

¹ The address of the Debtors is 9000 Sunset Blvd., Ste. 1400, Los Angeles, CA 90069. The last four digits of the Debtors' federal tax identification numbers are: (i) Rainbow Production Services, LLC (4758); (ii) Rainbow Digital Services, LLC (9827); (iii) Film Finances, Inc. (7130); and (iv) EPS-Cineworks, Inc. (3355).

² Capitalized terms used but not defined herein have the meaning ascribed to them in the Motion or the Bidding Procedures.

“Stalking Horse Agreement”), which provides for certain bid protections as set forth below;

- (d) approving (i) procedures (the **“Assumption and Assignment Procedures”**) for the assumption and assignment of executory contracts and unexpired leases (together, the **“Contracts”**) and (ii) the form and manner of the notice (the **“Cure Notice”**) of assumption and assignment of Contracts, including the form and manner of notice of proposed cure amounts (the **“Cure Amounts”**) attached as Exhibit 3 hereto;
 - (e) scheduling the auction (the **“Auction”**), if any, and the hearing to consider approval of the Sale (the **“Sale Hearing”**) and approving the form and manner of notice thereof;
 - (f) authorizing the Debtors and Roth Capital Partners, LLC (**“Roth”**) to run the marketing and sale process ; and
 - (g) granting related relief.
- (I) An order (the **“Sale Order”**):
- (a) approving the Sale of the Assets or component thereof, free and clear of all Encumbrances (defined below);
 - (b) authorizing the assumption and assignment of certain Contracts; and
 - (c) granting related relief.

And upon the First Day Declaration, the Stoyanov Declaration; and the Coleman Sale Declaration, and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties-in-interest; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate under the

circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the “**Hearing**”); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and the parties having apprised the Court of the resolution of the objection filed by the United States Trustee as provided in this Order; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor:

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. The Bidding Procedures attached as Exhibit 1 are fair, reasonable, and appropriate, and are designed to maximize the value to be achieved from the Sale.

B. The Assumption and Assignment Procedures provided for herein are fair, reasonable, and appropriate and consistent with the provisions of section 365 of the Bankruptcy Code.

C. The Debtors have articulated good and sufficient business reasons for this Court to approve: (i) the Bidding Procedures, including all related deadlines, the Auction, and the Sale Hearing with respect to the proposed Sale and the form and manner of notices related thereto; (ii) the establishment of procedures to assume and assign the Contracts and fix the Cure Amounts and the form and manner of notices related thereto; and (iii) the Debtors’ authorization, in consultation with (a) the Committee (if any) and (b) SILAC Insurance Company, only to the extent the Stalking Horse Bidder is no longer participating in the Sale process as a buyer (the “**DIP**”

³ The findings and conclusions set forth herein constitute this Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

Agent” and together with the Committee (if any), the “**Consultation Parties**” (if any)) (not individually, but in its capacity as Agent on behalf of the DIP Lenders under that certain Priming Superpriority Debtor-In-Possession Credit Agreement by and among the Debtors, SILAC Insurance Company, as Agent, and SILAC Insurance Company and Haymarket Insurance Company, as DIP Lenders dated as of November 8, 2024 (the “**DIP Credit Agreement**”)), to select a Stalking Horse Bidder and offer certain bid protections, which bid shall be subject to higher or otherwise better offers as set forth in the Bidding Procedures.

D. The form and manner of service of the Sale Notice attached as Exhibit 2 hereto is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Auction, the Sale, the Bidding Procedures, and the Assumption and Assignment Procedures to be employed in connection therewith, including, without limitation: (i) the date, time, and place of the Auction (if held); (ii) the Bidding Procedures and the dates and deadlines related thereto; (iii) the objection deadline for the Sale and the date, time, and place of the Sale Hearing; (iv) the identification of the Assets to be sold; and (v) representations describing the Sale as being free and clear of all liens, claims, interests, and other encumbrances (collectively, “**Encumbrances**”), with all such Encumbrances attaching with the same validity and priority to the proceeds of the Sale; and no other or further notice of the Sale shall be required.

E. The Cure Notice attached hereto as Exhibit 3 is appropriate and reasonably calculated to provide each non-debtor party to any Contracts (such parties, the “**Non-Debtor Counterparties**”) with proper notice of the potential assumption and assignment of the applicable Contract, the proposed Cure Amount, and the Assumption and Assignment Procedures. The inclusion of any particular contract or lease on a Cure Notice shall not be deemed to be an admission that such contract or lease is an executory contract or unexpired lease of property or

require or guarantee that such contract or lease will be assumed and/or assigned, and all rights of the Debtors with respect to the foregoing are reserved.

F. No further notice beyond that described in the foregoing paragraphs is required in connection with the Sale.

G. The Debtors have articulated good and sufficient business reasons for this Court to authorize the Debtors and Roth, in consultation with the Consultation Parties (if any), to run the marketing and sale process.

H. The Debtors' decision to designate the Stalking Horse Bidder and provide Bid Protections as set forth in this Order is reasonably calculated to enable the Debtors to maximize value by permitting the Debtors to set the floor for bids and contributing to a robust sale process, for the benefit of the Debtors' estates, creditors, and other parties-in-interest.

I. The entry of this Bidding Procedures Order is in the best interests of the Debtors, their estates, their creditors, and other parties-in-interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is granted as set forth herein.
2. All objections to the Motion or the relief provided herein, as they pertain to the entry of this Bidding Procedures Order, that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are hereby overruled and denied on the merits.

The Bidding Procedures

3. The Bidding Procedures are fully incorporated herein and approved in their entirety. All dates and deadlines set forth in the Bidding Procedures are hereby established, subject to the terms of the Bidding Procedures. The Bidding Procedures shall govern the submission, receipt, and analysis of all bids relating to the Sale under section 363 of the Bankruptcy Code. The

Debtors, in consultation with the Consultation Parties (if any), are authorized to schedule the Auction in connection with the Bidding Procedures.

Assumption and Assignment Procedures

4. The following Assumption and Assignment Procedures shall govern the assumption and assignment of the Contracts in connection with the Sale, and any objections related thereto:

- a. The Debtors shall file with this Court and serve the Cure Notice on each Non-Debtor Counterparty to each of the Contracts, within three (3) business days from the entry of this Bidding Procedures Order, via U.S. mail or email, if available, to the notice parties listed in the applicable Contract, and any counsel of record in these Chapter 11 Cases.
- b. In the event that the Debtors identify any Non-Debtor Counterparties that were not served with the Cure Notice, the Debtors may subsequently serve (via U.S. mail or mail, if available) such Non-Debtor Counterparty with a Cure Notice, and the following procedures will nevertheless apply to such Non-Debtor Counterparty; *provided, however*, absent further order of this Court, the Cure Objection Deadline (defined below) with respect to such Non-Debtor Counterparty shall be 4:00 p.m. (prevailing Eastern Time) on the date that is fourteen (14) days following service of such Cure Notice.
- c. The Cure Notice served on each Non-Debtor Counterparty shall: (i) identify each Contract; (ii) list the Cure Amount the Debtors believe is required to be paid pursuant to the Bankruptcy Code in order to effectuate the assignment of the Contract; (iii) include a statement that the assumption and assignment of such Contract is neither required nor guaranteed; and (iv) inform such Non-Debtor Counterparty of the requirement to file any Contract Assumption and Assignment Objection (defined below) or Cure Objections (defined below) by the Cure Contract Assumption and Assignment Objection Deadline (defined below) and/or Cure Objection Deadline (defined below). Service of a Cure Notice does not (x) constitute, and shall not be deemed, an admission that a particular Contract is an executory contract or unexpired lease of property, or (y) confirm that the Debtors are required to assume and/or assign such Contract.
- d. Objections, if any, to a scheduled Cure Amount (a “**Cure Objection**”), or to the assumption and assignment of a Contract (a “**Contract Assumption and Assignment Objection**”) must: (x) be in writing; (y) state with specificity the nature of such objection, including the amount of Cure Amount in dispute; and (z) be filed with this Court and properly served on the Debtors, the Consultation Parties (if any), and the Sale Notice Parties so as to be received no later than **4:00 p.m. (prevailing Eastern Time) on the date that is fourteen (14) days after the date**

of the Cure Notice (the “Contract Assumption and Assignment Objection Deadline” and “Cure Objection Deadline”), subject to subparagraph (b) above.

- e. Objections of any Non-Debtor Counterparty related solely to the identity of, and adequate assurance of future performance by, a Successful Bidder other than the Stalking Horse Bidder must (x) be in writing, (y) state with specificity the nature of such objection, and (z) be filed with this Court and properly served on the Debtors, the Consultation Parties (if any), and the Sale Notice Parties so as to be received no later than the Post-Auction Objection Deadline (defined below) of **4:00 p.m. (prevailing Eastern Time) on January 16, 2025** unless otherwise ordered by this Court or agreed to by the Debtors and the Successful Bidder. **Notwithstanding the foregoing, objections of any Non-Debtor Counterparty related to adequate assurance of future performance by the Stalking Horse Bidder must be filed with this Court in accordance with all other terms of this Order and properly served on the Debtors, the Consultation Parties (if any), and the Sale Notice Parties so as to be received no later than 4:00 p.m. (prevailing Eastern Time) on December 19, 2024.**
- f. Any Non-Debtor Counterparty to a Contract that fails to timely file and properly serve a Contract Assumption and Assignment Objection, Cure Objection, adequate assurance objection or any other Post-Auction Objection, as the case may be and as provided herein, will: (i) be forever barred from objecting to the Cure Amount and from asserting any additional cure or other amounts with respect to such Contract in the event it is assumed and/or assigned by the Debtors, and the Debtors and the assignee of the Contract shall be entitled to rely solely upon the Cure Amounts scheduled on the Cure Notice; and (ii) be deemed to have consented to the assumption, assignment, and/or transfer of such Contract (including the transfer of any related rights and benefits thereunder) to the assignee and shall be forever barred and estopped from objecting to the assumption or assignment of such Contracts to the assignee or asserting or claiming against the Debtors or the assignee that any additional pre-assignment amounts are due or defaults exist, or conditions to assumption, assignment, and/or transfer must be satisfied under such Contract, that any related right or benefit under such Contract cannot or will not be available to the assignee, or that the assignee failed to provide such Non-Debtor Counterparty with adequate assurance of future performance.
- g. If a Non-Debtor Counterparty files an objection satisfying the requirements of these Assumption and Assignment Procedures that is not consensually resolved by the Sale Hearing, such unresolved objection shall not be considered at the Sale Hearing; and instead shall be considered at a subsequent hearing on at least seven (7) days’ notice to the applicable Non-Debtor Counterparty, *provided, however*, any Contract that is the subject of a Cure Objection with respect solely to the amount of the Cure Amount may be assumed and assigned prior to resolution of such objection, so long as the Debtors or assignee, as applicable, (i) pay any undisputed Cure Amount on or about the date the Sale is consummated or (ii) appropriately reserve funding for the disputed portion of the Cure Amount pending resolution of the dispute.

- h. The Debtors' assumption and/or assignment of a Contract is subject to approval by this Court and consummation of the Sale. Absent entry of a Sale Order approving the assumption and/or assignment of the Contracts and consummation of the Sale, the Contracts shall be deemed neither assumed nor assigned, and shall in all respects be subject to subsequent assumption or rejection by the Debtors.

Notice Procedures

5. The Sale Notice in the form attached hereto as Exhibit 2 is approved, and the Debtors are authorized to make non-substantive or immaterial changes to the Sale Notice or to fill in missing information, in each case to the extent not inconsistent with this Bidding Procedures Order, prior to service of the Sale Notice.

6. Three (3) business days after entry of this Bidding Procedures Order, the Debtors will (i) serve the Sale Notice on the (a) all entities known to have expressed a bona fide interest in a transaction with respect to the Assets or component thereof; (b) all entities known to have asserted any lien, claim, or encumbrance in or upon any assets comprising the Assets; (c) all federal, state, and local environmental, regulatory, or taxing authorities or recording offices which have a reasonably known interest in the relief requested by the Motion; (d) known counterparties to any unexpired leases or executory contracts that could potentially be assumed and assigned to a Successful Bidder; (e) the Office of the United States Trustee for the District of Delaware; (f) all taxing authorities having jurisdiction over any of the Assets, including the Internal Revenue Service; (g) the Securities and Exchange Commission; (h) the Offices of the United States Attorney for the District of Delaware; and (i) all persons and entities that have filed a request for service of filings in these Chapter 11 Cases pursuant to Bankruptcy Rule 2002 (collectively, the "**Sale Notice Parties**") and (ii) cause a form of the Sale Notice and the Bidding Procedures Order to be posted on the Debtors' restructuring website maintained by Donlin Recano, the Debtors' claims and noticing agent.

7. No other or further notice of the Sale, the Auction, the Sale Hearing, or the Sale Objection Deadline shall be required. Service of the Sale Notice as set forth herein is deemed to satisfy the notice requirements under Bankruptcy Rules 2002, 6004, and 6006, as well as Local Rule 6004-1, and to otherwise comply in all respects with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and Local Rules.

8. The Debtors shall file a notice on this Court's docket identifying the Successful Bidder and any Backup Bidder within one (1) business day of the closing of the Auction.

9. The form of Cure Notice attached hereto as Exhibit 3 and the Assumption and Assignment Procedures set forth herein are approved and are deemed to be sufficient to provide effective notice to the Non-Debtor Counterparties of the Debtors' intent to potentially assume and assign some or all of the Contracts and the Debtors' proposed Cure Amounts. Such notice is deemed to satisfy the notice requirements under Bankruptcy Rules 2002, 6004, and 6006, as well as Local Rule 6004-1, and to otherwise comply in all respects with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and Local Rules.

Sale Process Termination

10. Bid Deadline. As further described in the Bidding Procedures, the Bid Deadline (as defined in the Bidding Procedures) is **4:00 p.m. (prevailing Eastern Time) on January 6, 2025**. No Bid shall be deemed to be a Qualified Bid unless such Bid meets the requirements set forth in the Bidding Procedures.

11. By the Bid Deadline, the Debtors must receive at least one binding Bid that (any such Bid, a "**Qualified Bid**")⁴: (a) must fully disclose the following: (i) the legal identity of each

⁴ The specific and necessary elements to a "Qualified Bid" are set forth in further and more detailed specificity in the Bidding Procedures and the following is intended to summarize certain particularities of the Bidding Procedures, but are not in any way intended to limit any more specific or further requirements for submission of a "Qualified Bid" as set forth therein.

person or entity bidding for the Assets and/or otherwise sponsoring, financing (including through the issuance of debt in connection with such Bid) or participating in (including through license or similar arrangement with respect to the Assets to be acquired in connection with such Bid) the Auction in connection with such Bid and the complete terms of any such participation; (b) must clearly state which Assets (including any executory contracts and unexpired leases) and liabilities of the Debtors the Qualified Bidders are agreeing to purchase and assume; (c) must clearly set forth the cash purchase price to be paid for the applicable Assets in an amount of not less than \$22,350,000.00; (d) must be accompanied by a cash deposit in the amount equal to 10% of the Purchase Price of the Bid, to be held in a segregated, non-interest bearing account, to be identified and established by the Debtors; (e) must identify the obligations contemplated to be assumed by such Bid, and be on terms in the aggregate (together with the other consideration contemplated in such Bid) no less favorable to the Debtors than the Stalking Horse Agreement; and (f) must be on terms that are no less favorable in the aggregate (together with the other consideration contemplated in such Bid), in the Debtors' reasonable business judgment and after consultation with the Consultation Parties (if any), than the terms of the Stalking Horse Agreement. Notwithstanding the foregoing, the Stalking Horse Bid shall be deemed a Qualified Bid for all purposes, and the Stalking Horse Bidder a Qualified Bidder.

Auction and Sale Hearing

12. Credit Bid. The DIP Agent shall be entitled to credit bid (a "**Credit Bid**") any portion of its outstanding secured obligations under the DIP Credit Agreement pursuant to section 363(k) of the Bankruptcy Code with respect to any Assets on which it holds liens at any Auction in accordance with the Final DIP Order, absent further order of this Court; provided, however, that any portion of its outstanding secured obligations under the DIP Credit Agreement which

constitutes Roll-Up Obligations (as defined in the *Final Order (I) Authorizing The Debtors To Obtain Post-Petition Financing, (II) Authorizing The Debtors To Use Cash Collateral, (III) Providing Adequate Protection, (IV) Granting Liens, Security Interests, And Superpriority Claims, And (V) Granting Related Relief* (“Final DIP Order”)) shall be subject to the Challenge Period (as defined in the Final DIP Order) and any right to credit bid such Roll-Up Obligations shall be subject in all respects to the Challenge Period and the terms of the Final DIP Order. The DIP Agent shall be deemed a Qualified Bidder and any Credit Bid it submits in compliance with the Bidding Procedures shall be deemed a Qualified Bid.

13. Sale Objection Deadline. The Sale Objection Deadline is **4:00 p.m. (prevailing Eastern Time) on January 14, 2025**. Any party in interest that does not file an objection by the Sale Objection Deadline shall be deemed to have consented to the Debtors’ transfer of the Assets free and clear of any claims, liens, interests and encumbrances.

14. Auction; Cancellation of Auction. Depending on the Bids received in accordance with the Bidding Procedures, the Debtors may conduct an Auction for the proposed Sale. If at least one Qualified Bid, other than the Stalking Horse Bid, is received in accordance with the Bidding Procedures with regard to the Assets or any component thereof, the Debtors shall be permitted to hold the Auction in accordance with the Bidding Procedures, which shall take place on **January 9, 2025 at 10:00 a.m. (prevailing Eastern Time)**, at such place, including by remote video, as the Debtors shall designate, in consultation with the Consultation Parties (if any). In the event that the Debtors, in consultation with the Consultation Parties (if any), designate a later time or place for the Auction, they shall (i) notify all Qualified Bidders who have submitted Qualified Bids, and (ii) file notice of such change with this Court. Only (a) Qualified Bidder (including the Stalking Horse Bidder) and its legal and financial advisors, (b) the Consultation Parties (if any),

(c) actual creditors of the Debtors (provided that they give at least 48 hours' notice to the Debtors' counsel and the Consultation Parties' (if any) counsel of their intention to attend an Auction via email to (i) Bayard, P.A., Attn: Ericka F. Johnson (ejohnson@bayardlaw.com) and Steven D. Adler (sadler@bayardlaw.com); (ii) Levene, Neale, Bender, Yoo & Golubchik L.L.P., Attn: David L. Neale (dln@lnbyg.com) and Krikor J. Meshefejian (kjm@lnbyg.com); (iii) Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Attn: Frank J. Earley (fjearley@mintz.com) and Kaitlin R. Walsh (krwalsh@mintz.com); (iv) the Office of the United States Trustee for the District of Delaware, Attn: Jonathan Lipshie (jon.lipshie@usdoj.gov) and (v) counsel to the Official Committee of Unsecured Creditors (if any), shall be entitled to attend an Auction.

15. In the event that no Qualified Bid aside from the Stalking Horse Bid is received, then the Debtors shall cancel the Auction and designate the Stalking Horse Bid as the Successful Bid (as defined in the Bidding Procedures) and pursue entry of an order approving a Sale to the Stalking Horse Bidder pursuant to the Stalking Horse Agreement.

16. If the Auction is cancelled, the Debtors shall promptly file a notice cancelling the Auction and designating the Stalking Horse Bid as the Successful Bid no later than January 8, 2025 at 5:00 p.m. (prevailing Eastern Time).

17. Each Qualified Bidder participating in the Auction will be required to confirm on the record at the Auction, that (i) it has not engaged in any collusion with respect to the Bidding Procedures and the Auction, (ii) its Qualified Bid is a good faith *bona fide* offer that it intends to consummate if selected as the Successful Bidder or Backup Bidder, and (iii) the Qualified Bidder agrees to serve as the Backup Bidder if its Qualified Bid is the next highest or otherwise best bid after the Successful Bid.

18. Notice for Non-Debtor Counterparties. As soon as reasonably practicable after closing the Auction, if any, and in any event not more than two (2) business day following closing the Auction, the Debtors shall cause a notice of Successful Bid and Successful Bidder, and the Qualified Bid Documents for the Successful Bid and Backup Bid to be filed with the Court.

19. Sale Order. The Debtors shall file the form of proposed Sale Order with the Court no later than January 13, 2025 at 4:00 p.m. (prevailing Eastern Time).

20. Post-Auction Objection Deadline. The deadline to object only to (i) the conduct at the Auction (if held); (ii) the form of Sale Order; or (iii) solely with respect to the Non-Debtor Counterparties to the Contracts, to the specific identity of and adequate assurance of future performance provided by the Successful Bidder (only if such Successful Bidder is not the Stalking Horse Bidder) (such a limited objection, a “**Post-Auction Objection**”) is **4:00 p.m. (prevailing Eastern Time) on January 16, 2025** (the deadline, the “**Post-Auction Objection Deadline**”). The deadline for Non-Debtor Counterparties to object to the adequate assurance of future performance provided by the Stalking Horse Bidder is **4:00 p.m. (prevailing Eastern Time) on December 19, 2024.**

21. Sale Hearing. The Sale Hearing shall take place on **January 21, 2025 at 10:00 a.m. (prevailing Eastern Time)**. At the Sale Hearing, the Debtors will seek the entry of the Sale Order approving and authorizing the Sale to the Successful Bidder. The Sale Hearing (or any portion thereof) may be adjourned by this Court or the Debtors, in consultation with the Consultation Parties (if any), from time to time without further notice other than by announcement in open court or through the filing of a notice or other document on this Court’s docket.

Objection Procedures

22. Any party that seeks to object to the proposed Sale or related relief must file a formal written objection that complies with the objection procedures set forth herein.

23. Objections, if any, must be: (i) in writing; (ii) signed by counsel or attested to by the objecting party; (iii) in conformity with the applicable provisions of the Bankruptcy Rules and the Local Rules; (iv) state with particularity the legal and factual basis for the objection and the specific grounds therefor; (v) be filed with this Court; and (vi) served on the Debtors, the Committee (if any), and the Sale Notice Parties, in each case so as to be received no later than the Sale Objection Deadline, Cure Objection Deadline, or the applicable Post-Auction Objection Deadline (collectively, the “**Deadlines**”), as applicable.

24. Failure to file an objection on or before the applicable Deadline (i) shall forever bar the assertion, whether at any Sale Hearing or thereafter, of any objection to the Motion, to entry of the Sale Order, and/or to the consummation and performance of the Sale with a Successful Bidder, and (ii) for purposes of section 363(f)(2) of the Bankruptcy Code, shall be deemed to be “consent” to entry of the Sale Order and consummation of the Sale related thereto free and clear of any interest in the Assets or component thereof as contemplated by the Sale.

Approval of Designation of Stalking Horse Bidder and Bid Protections

25. The Debtors are authorized to, in the exercise of their reasonable business judgment, designate Film Services International, LLC as the Stalking Horse Bidder and enter into the Stalking Horse Agreement for the sale of the Assets.

26. The Debtors are authorized, in connection with the Stalking Horse Agreement, to offer only the following bid protection to the Stalking Horse Bidder: The Expense Reimbursement (which shall be referred to as the “**Bid Protections**”) actually incurred by a Stalking Horse Bidder

in connection with its bid, not to exceed \$100,000; provided, however, that prior to the Stalking Horse Bidder becoming entitled to receive the Expense Reimbursement, in addition to any other condition set forth in the Bidding Procedures and/or the Stalking Horse Agreement, the Stalking Horse Bidder shall provide to the Debtors, the UST and the Committee (if appointed) documentation evidencing such Expense Reimbursements, which will have ten (10) days from the receipt of such documentation to file an objection to the Expense Reimbursements. To the extent an objection is timely filed, the Expense Reimbursements subject to objection shall not be paid until such objections are resolved consensually or by the Court.

27. The obligation of the Debtors to pay the Bid Protections (comprised solely of the Expense Reimbursement): (i) shall be entitled to administrative expense status under sections 503(b) and 507(a)(2) of the Bankruptcy Code, *provided, however*, that the Bid Protections shall be payable directly out of the proceeds of, and as a precondition to a transaction in which the Stalking Horse Bidder is not the Successful Bidder; (ii) shall survive the termination of the Stalking Horse Agreement to the extent provided in the Stalking Horse Agreement; and (iii) shall be payable in accordance with the terms set forth in the Stalking Horse Agreement, as modified herein.

Authorization of the Sale Process

28. The Debtors and their professionals, including Roth, shall be authorized to conduct the process to market the Assets for a going concern sale in accordance with the Bidding Procedures. In connection therewith, the Debtors will provide all parties entitled to such access with reasonable access to the data room and any and all documents that the Debtors believe are relevant to such going concern sale process and, in general, cooperate with any due diligence requests by interested parties.

Other Relief Granted

29. Absent a subsequent order of this Court to the contrary, this Bidding Procedures Order shall be binding in all respects upon any trustees, examiners, “responsible persons,” or other fiduciaries appointed in the Cases or upon a conversion to chapter 7 under the Bankruptcy Code.

30. Nothing herein shall be deemed to or constitute the assumption, assignment, assumption and assignment, or rejection of any executory contract or unexpired lease.

31. Notwithstanding any provision in the Bankruptcy Rules to the contrary, the stays provided for in Bankruptcy Rules 6004(h) and 6006(d) are waived and this Bidding Procedures Order shall be effective immediately and enforceable upon its entry.

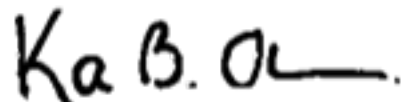
32. Notwithstanding anything to the contrary in this Bidding Procedures Order, the Bidding Procedures, or the Assumption and Assignment Procedures, the Debtors, in consultation with the Consultation Parties (if any) and, to the extent such changes are inconsistent with the Stalking Horse Agreement or debtor-in-possession financing orders, with the consent of the DIP Agent and the Stalking Horse Bidder, may extend or seek an extension from this Court of, the deadlines set forth in this Bidding Procedures Order or the Bidding Procedures, including, but not limited to, the Bid Deadline (as this term is defined in the Bidding Procedures).

33. All persons or entities (whether or not a Qualified Bidder) that participate in the bidding process will be deemed to have knowingly and voluntarily (i) consented to the entry of a final order by this Court in connection with the Motion to the extent that it is later determined that this Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution and (ii) waived any right to jury trial in connection with any disputes relating to the any of the foregoing matters.

34. In the event of any conflict between this Bidding Procedures Order and the Motion and/or the Bidding Procedures, this Bidding Procedures Order shall govern in all respects.

35. This Court shall retain exclusive jurisdiction over any matters related to or arising from the implementation, interpretation, and enforcement of this Bidding Procedures Order.

Dated: December 5th, 2024
Wilmington, Delaware

A handwritten signature in black ink, appearing to read "Ka B. Owens", with a stylized flourish at the end.

KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Bidding Procedures

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

RAINBOW PRODUCTION SERVICES, LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 24-12564 (KBO)

(Jointly Administered)

BIDDING PROCEDURES FOR THE SALE OF THE DEBTORS' ASSETS

On December [], 2024, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered the *Order (I) Approving Bidding Procedures for the Sale of the Debtors’ Assets, (II) Approving the Form and Manner of Notice of the Sale and Bid Deadlines, (III) Authorizing the Debtors to Select a Stalking Horse Bidder and Enter Into a Purchase Agreement With Such Bidder Providing for Certain Bid Protections, (IV) Approving (A) Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases and (B) the Form and Manner of Notice Thereof, (V) Scheduling the Auction and Hearing to Consider Approval of the Sale, and (VI) Granting Related Relief* [Docket No. []] (the “Bidding Procedures Order”),² by which the Court approved the following procedures (the “Bidding Procedures”). These Bidding Procedures set forth the process by which the Debtors are authorized to conduct an auction (the “Auction”) for the sale (the “Sale”) of substantially all of the Debtors’ assets (collectively, the “Assets”).

Subject to the terms of these Bidding Procedures, interested parties may bid on the Assets (i) in individual lots, (ii) as a collective whole, or (iii) in any combination.

1. Submissions to the Debtors.

All submissions to the Debtors required to be made under these Bidding Procedures must be directed to each of the following persons unless otherwise provided (collectively, the “Notice Parties”):

A. Debtors.

FILM FINANCES, INC.
Attn: Peter Coleman
9000 Sunset Blvd., Ste. 1400
Los Angeles, California 90069
Email: peter@ffi.com

¹ The address of the Debtors is 9000 Sunset Blvd., Ste. 1400, Los Angeles, CA 90069. The last four digits of the Debtors’ federal tax identification numbers are: (i) Rainbow Production Services, LLC (4758); (ii) Rainbow Digital Services, LLC (9827); (iii) Film Finances, Inc. (7130); and (iv) EPS-Cineworks, Inc. (3355).

² All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Bidding Procedures Order.

B. Debtors' Proposed Counsel.

BAYARD, P.A.
Attn: Ericka F. Johnson
Steven D. Adler
600 N. King Street, Suite 400
Wilmington, Delaware 19801
Email: ejohnson@bayardlaw.com
sadler@bayardlaw.com

- and -

LEVENE, NEALE, BENDER, YOO & GOLUBCHIK L.L.P.
Attn: David L. Neale
Krikor J. Meshefejian
2818 La Cienega Avenue
Los Angeles, California 9004
Email: dln@lnbyg.com
kjm@lnbyg.com

C. Debtors' Proposed Investment Banker.

ROTH CAPITAL PARTNERS, LLC
Attn: Alex Stoyanov
Sean Leahy
Email: astoyanov@roth.com
sleahy@roth.com

D. The DIP Agent (on behalf of the DIP Lenders).³

SILAC INSURANCE COMPANY
Attn: Scott D. Matthews
10201 N. Illinois St., Suite 280
Carmel, Indiana 46290
Email: scott.matthews@sterlinglifeco.com

E. Counsel to the DIP Agent.

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C.
Attn: Frank J. Earley
Kaitlin R. Walsh
Dormie Ko

³ The "DIP Agent" and "DIP Lenders" are those parties in their respective capacities under that certain Priming Superpriority Debtor-In-Possession Credit Agreement by and among the Debtors, SILAC Insurance Company, as Agent, and SILAC Insurance Company and Haymarket Insurance Company, as DIP Lenders dated as of November 4, 2024 (the "DIP Credit Agreement").

919 Third Avenue
New York, New York
Email: FJEarley@mintz.com
KRWalsh@mintz.com
DKo@mintz.com

2. Potential Bidders.

To participate in the bidding process or otherwise be considered for any purpose under these Bidding Procedures, a person or entity (other than the Stalking Horse Bidder (as defined below)) interested in consummating a Sale (a “Potential Bidder”) must deliver or have previously delivered to the Consultation Parties⁴:

- (i) an executed confidentiality agreement on terms acceptable to the Debtors (a “Confidentiality Agreement”), to the extent not already executed;
- (ii) information demonstrating (in the Debtors’ reasonable business judgment after consultation with the Consultation Parties) that the Potential Bidder has the financial capability to consummate the applicable Sale, including, but not limited to, the most current audited and latest unaudited financial statements (the “Financials”) of the Potential Bidder (or such other form of financial disclosure acceptable to the Debtors after consultation with the Consultation Parties) (or, if the Potential Bidder is an entity formed for the purpose of acquiring the Assets, (x) Financials of the equity holder(s) of the Potential Bidder or such other form of financial disclosure as is acceptable to the Debtors, in consultation with the Consultation Parties, and/or (y) a written funding commitment acceptable to the Debtors and their advisors, in consultation with the Consultation Parties, of the equity holder(s) of the Potential Bidder to be responsible for the Potential Bidder’s obligations in connection with the applicable Sale); and
- (iii) a written and executed letter of intent (the “LOI”) that demonstrates such Potential Bidder’s intent to submit a bid that meets or exceeds the Minimum Bid (as defined below).

3. Stalking Horse Bidder.

The Debtors have entered into (as more fully described in the Stalking Horse Agreement) a purchase agreement (the “Stalking Horse Agreement”) with Film Services International, LLC. (“FSI”) where FSI will serve as a stalking horse bidder for the Debtors’ Assets (the “Stalking Horse Bidder”). For the avoidance of doubt, and notwithstanding anything herein to the contrary, (i) the Stalking Horse Bidder shall be deemed a Qualified Bidder for all purposes without any further action required by the Stalking Horse Bidder; (ii) the Stalking Horse Agreement shall be

⁴ References herein to Consultation Parties applies to the extent any such Consultation Parties exist, as provided in the Bidding Procedures Order.

deemed a Qualified Bid for all purposes without any further action required by the Stalking Horse Bidder; and (iii) the Stalking Horse Bidder is not required to post a Deposit.

4. Qualified Bidders.

(a) A “Qualified Bidder” is a Potential Bidder whose Financials, or the Financials of its equity holder(s), as applicable, demonstrate the financial capability to consummate the applicable Sale and whose Bid (as defined below) is a Qualified Bid (as defined below), that the Debtors, in consultation with the Consultation Parties, determine should be considered a Qualified Bidder. Prior to the commencement of the Auction, **and no later than 12:00 p.m. (noon) (prevailing Eastern Time) on January 8, 2025**, the Debtors’ advisors will (i) notify each Potential Bidder in writing whether such Potential Bidder is a Qualified Bidder and (ii) provide to the Qualified Bidders for such Assets copies of all Qualified Bids with respect to such Assets. The Stalking Horse Bidder shall be deemed a Qualified Bidder at all times and for all purposes with respect to the Assets to which its Bid (the “Stalking Horse Bid”) relates, and notwithstanding anything in these Bidding Procedures, the Stalking Horse Bid shall be deemed a Qualified Bid for all purposes.

(b) The Debtors shall provide regular updates to the Consultation Parties on Potential Bidders and shall specifically identify any Potential Bidder who did not qualify to be a Qualified Bidder and the Debtors’ basis for such determination. If any Potential Bidder is determined by the Debtors, in consultation with the Consultation Parties, not to be a Qualified Bidder or not to have submitted a Qualified Bid, the Debtors will refund such Potential Bidder’s Deposit on or within five (5) business days after the Bid Deadline.

(c) Between the date that the Debtors notify a Potential Bidder that it is a Qualified Bidder and the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Except for the Stalking Horse Bidder and as permitted by the Stalking Horse Agreement, without the written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase the consideration contemplated by, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; *provided that* any Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

5. Due Diligence.

Potential Bidders shall be eligible to receive due diligence information and access to the Debtors’ electronic data room (the “Data Room”) and to additional non-public information regarding the Debtors. In addition, the Debtors will provide reasonable due diligence information to Potential Bidders, as requested by such Potential Bidders in writing, as soon as reasonably practicable after such request. For all Potential Bidders other than the Stalking Horse Bidder, the due diligence period will end on the Bid Deadline, and subsequent to the expiration of the due diligence period, the Debtors shall have no obligation to furnish any due diligence information.

The Debtors shall not furnish any confidential information relating to the Assets, liabilities of the Debtors, or a Sale to any person except to the Debtors' advisors, professionals and consultants, the Stalking Horse Bidder, a Potential Bidder or to such Potential Bidder's duly authorized representatives to the extent expressly permitted by the applicable Confidentiality Agreement. The Debtors and their advisors shall coordinate all reasonable requests from Potential Bidders for additional information and due diligence access; *provided* that the Debtors may decline to provide such information to Potential Bidders who, at such time and in the Debtors' reasonable business judgment, after consultation with the Consultation Parties, have not established, or who have raised doubt, that such Potential Bidder intends in good faith to, or has the capacity to, consummate the applicable Sale. Each recipient of confidential information agrees to use, and to instruct their advisors and representatives to use, such confidential information only in connection with the evaluation of Bids during the bidding process or in accordance with the terms of any applicable confidentiality agreement.

The Debtors also reserve the right, subject to the terms of the Stalking Horse Agreement and after consultation with the Consultation Parties, to withhold any diligence materials that the Debtors determine are sensitive after notifying the Potential Bidder requesting such materials of such determination. Neither the Debtors nor their representatives shall be obligated to furnish information of any kind whatsoever to any person that is not determined to be a Potential Bidder in accordance with these Bidding Procedures.

All due diligence requests must be directed to Roth Capital Partners, LLC, attention Alex Stoyanov and Sean Leahy, at astoyanov@roth.com and sleahy@roth.com.

(a) Communications with Potential Bidders.

Notwithstanding anything to the contrary in these Bidding Procedures, all direct communications between and amongst Potential Bidders regarding the Debtors or their Assets shall involve the Debtors and the Debtors' advisors. No Potential Bidder shall communicate with any other Potential Bidder absent prior written consent from the Debtors.

(b) Due Diligence from Potential Bidders.

Each Potential Bidder shall comply with all reasonable requests for additional information and due diligence access requested by the Debtors or their advisors regarding the ability of the Potential Bidder to consummate the applicable Sale. Failure by a Potential Bidder to comply with such reasonable requests for additional information and due diligence access may be a basis for the Debtors to determine, in consultation with the Consultation Parties, that such bidder is no longer a Potential Bidder or that a bid made by such Potential Bidder is not a Qualified Bid.

6. Bid Requirements.

A proposal, solicitation, or offer (each, a "Bid") by a Qualified Bidder that is submitted in writing and satisfies each of the following requirements (the "Bid Requirements") as determined by the Debtor, in consultation with the Consultation Parties, shall constitute a "Qualified Bid".

(a) Identification of Bidder. Each Bid must fully disclose the following: (i) the legal identity of each person or entity bidding for the Assets and/or otherwise sponsoring, financing

(including through the issuance of debt in connection with such Bid) or participating in (including through license or similar arrangement with respect to the Assets to be acquired in connection with such Bid) the Auction in connection with such Bid and the complete terms of any such participation; and (ii) any past or present connections or agreements with the Debtors, the Stalking Horse Bidder, any other known Potential Bidder or Qualified Bidder, or any officer or director of any of the foregoing (including any current or former officer or director of the Debtors).

(b) Assets. Each Bid must clearly state which Assets (including any executory contracts and unexpired leases) and liabilities of the Debtors the Qualified Bidders are agreeing to purchase and assume. For the avoidance of doubt, a Bid may be on the Assets in either (i) individual lots, (ii) as a collective whole, or (iii) in any combination.

(c) Purchase Price. Each Bid must clearly set forth the cash purchase price to be paid for the applicable Assets (the “Purchase Price”). Each Bid, as applicable, must also specify how the Purchase Price is allocated among the Assets.

(d) Minimum Bid. The minimum bid for the Assets is \$22,350,000 (the “Minimum Bid”).

(e) Credit Bid. The DIP Agent shall be entitled to credit bid any portion of its outstanding secured obligations under the DIP Credit Agreement pursuant to section 363(k) of the Bankruptcy Code with respect to any Assets on which it holds liens in accordance with the Final DIP Order. The DIP Agent shall be deemed a Qualified Bidder and any credit bid it submits in compliance with these Bidding Procedures shall be deemed a Qualified Bid.

(f) Deposit. Each Bid must be accompanied by a cash deposit in the amount equal to 10% of the Purchase Price of the Bid, to be held in a segregated, non-interest bearing account, to be identified and established by the Debtors (the “Deposit”). The Debtors, in consultation with the Consultation Parties, reserve the right to increase the Deposit requirement.

(g) Assumption of Obligations. Each Bid must identify the obligations contemplated to be assumed by such Bid and be on terms in the aggregate (together with the other consideration contemplated in such Bid) no less favorable to the Debtors than the Stalking Horse Agreement, as determined in the Debtors’ reasonable business judgment, and after consultation with the Consultation Parties. Other than the obligations to be assumed, the Assets shall be sold free and clear of all liens, claims, interests, and encumbrances (collectively, the “Encumbrances”), and any Encumbrances shall attach to the net proceeds of the Sale after payment of any applicable Bid Protections.

(h) The Same or Better Terms. In addition to meeting or exceeding the applicable Minimum Bid, each Bid must be on terms that are no less favorable in the aggregate (together with the other consideration contemplated in such Bid), in the Debtors’ reasonable business judgment and after consultation with the Consultation Parties, than the terms of the Stalking Horse Agreement. Each Bid must include duly executed, non-contingent purchase agreement and other transaction documents necessary to effectuate the transactions contemplated in the Bid and shall include a schedule of assumed contracts to the extent applicable to the Bid. Each Bid should be based on the form of the Stalking Horse Agreement, which is available in Word format in the Data

Room, and must include a copy of the Stalking Horse Agreement clearly marked to show all changes requested by the Qualified Bidder, including those relating to the respective Purchase Price and assets to be acquired by such Qualified Bidder, as well as all other material documents integral to such bid, including a form of sale order marked against the applicable sale order (if any) (collectively, the “Qualified Bid Documents”).

(i) Committed Financing / Adequate Assurance Information. To the extent that a Bid is not accompanied by evidence of the Qualified Bidder’s capacity to consummate the Sale set forth in its Bid with cash on hand, each Bid must include committed financing documents to the satisfaction of the Debtors (in consultation with the Consultation Parties) that demonstrate that the Qualified Bidder has: (i) received sufficient debt and/or equity funding commitments to satisfy the Qualified Bidder’s Purchase Price and other obligations under its Bid; and (ii) adequate working capital financing or resources to finance going concern operations for the Assets and the proposed transactions. Such funding commitments or other financing must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have only those covenants and conditions acceptable to the Debtors, in consultation with the Consultation Parties. In addition to evidence of financial wherewithal to timely consummate the transaction, a Bid must include adequate assurance information with respect to any executory contracts or unexpired leases included or that may be included in the Bid in a form that allows the Debtors to serve such information on any counterparties to any contracts or leases being assumed and assigned in connection with the Sale that have requested, in writing, such information.

(j) Contingencies; No Financing or Diligence Outs. A Bid shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence, but may be subject to the accuracy at the closing of specified representations and warranties or the satisfaction at the closing of specified conditions, which shall not be more burdensome, in the Debtors’ reasonable business judgment, and after consultation with the Consultation Parties, than those set forth in the Stalking Horse Agreement (if any).

(k) Demonstrated Financial Capacity. A Qualified Bidder must have, in the Debtors’ reasonable business judgment (in consultation with the Consultation Parties) the necessary financial capacity to consummate the proposed transactions required by its Bid and provide adequate assurance of future performance under all contracts proposed to be assumed by such Bid.

(l) Time Frame for Closing. Closing of the Sale as to any Asset related to a Bid by a Qualified Bidder (a “Closing”) must be reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Successful Bid, on or before January 24, 2025.

(m) Binding and Irrevocable. Except as provided herein, a Qualified Bidder’s Bid for the Assets shall be irrevocable unless and until the Debtors (in consultation with the Consultation Parties) accept a higher Bid for such Assets and such Qualified Bidder is not selected as the Backup Bidder for such Assets. If selected as Backup Bidder, such Bid shall be irrevocable until the Closing of a Successful Bid for such Assets.

(n) Expenses; Disclaimer of Fees. Each Bid (other than the Stalking Horse Bid) will not have any right to receive a fee analogous to a break-up fee, expense reimbursement,

termination fee, or any other similar form of compensation, and by submitting its Bid, such Qualified Bidder is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code.

(o) Authorization. Each Bid must contain evidence that the Qualified Bidder has obtained authorization or approval from its board of directors (or a comparable governing body acceptable to the Debtors) with respect to the submission of its Bid and the consummation of the transactions contemplated in such Bid.

(p) As-Is, Where-Is. Each Bid must include a written acknowledgement and representation that the Qualified Bidder: (i) has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its offer; (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Assets in making its Bid; and (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Assets or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in the Bidder's Bid or accompanying asset purchase agreement.

(q) Adherence to Bid Procedures. By submitting its Bid, each Qualified Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction.

(r) Regulatory Approvals and Covenants. A Bid must set forth each regulatory and third-party approval required for the Qualified Bidder to consummate the applicable Sale, if any, and the time period within which the Qualified Bidder expects to receive such regulatory and third-party approvals (and in the case that receipt of any such regulatory or third-party approval is expected to take more than thirty (30) days following execution and delivery of the asset purchase agreement, those actions the Qualified Bidder will take to ensure receipt of such approvals as promptly as possible) and any undertakings that will be required by the Debtors in connection with such regulatory and third party approvals.

(s) Consent to Jurisdiction. The Qualified Bidder must submit to the jurisdiction of and entry of final orders by the Court and waive any right to a jury trial in connection with any disputes relating to the Debtors' qualification of bids, the Auction, the construction and enforcement of these Bidding Procedures, the transaction documents related to the Sale, and the Closing, as applicable.

(t) Bid Deadline. Each Bid must be transmitted via email (in .pdf or similar format) so as to be actually received on or before 4:00 p.m. (prevailing Eastern Time) on January 6, 2025 (the "Bid Deadline") by the Notice Parties.

7. Auction.

If the Debtors receive a Qualified Bid for the Assets, other than the Stalking Horse Bid for such Assets, if any, the Debtors will conduct the Auction to determine the Successful Bidder with respect to such Assets. If the Debtors do not receive a Qualified Bid for the Assets (other than the Stalking Horse Bid for such Assets), the Debtors will not conduct the Auction as to such Assets

and shall designate the Stalking Horse Bidder's Bid for such Assets as the Successful Bid for such Assets.

Prior to the commencement of the Auction, the Debtors will notify each Qualified Bidder of the highest or otherwise best Qualified Bid for the Assets for which such Qualified Bidder submitted a Bid, as determined in the Debtors' reasonable business judgment, in consultation with the Consultation Parties (the "Baseline Bid"), and provide copies of the applicable Qualified Bid Documents supporting the applicable Baseline Bid to each Qualified Bidder. The Debtors shall consult with the Consultation Parties as to how the Debtor is valuing the Bids made by Qualified Bidders during the Auction.

The Auction shall take place at the offices of Bayard, P.A., located at 600 North King Street, Suite 400, Wilmington, DE 19801 or such other place as designated by the Debtors in consultation with the Consultation Parties (if any), or remotely as provided herein, **on January 9, 2025 at 10:00 a.m. (prevailing Eastern Time)**, or such later date and time as selected by the Debtors, in consultation with the Consultation Parties. The Auction shall be conducted in a timely fashion according to the following procedures:

(a) Auction Remote or in Person.

The Debtors, in consultation with the Consultation Parties, shall determine whether the Auction shall be held by remote means (such as Zoom, WebEx, Google Meet, Teams, etc.) or in person, or a combination of both. The Debtors shall provide notice to the Auction Attendees (as defined below) no later than twenty-four (24) hours prior to the Auction regarding whether the Auction will be held remotely or in person, or in a combination. Unless the Debtors, in consultation with the Consultation Parties, determine that the Auction shall be in person only, Qualified Bidders and other parties entitled to be present at the Auction may appear in person or remotely. Log in appearances for a remote Auction shall be sent to all parties entitled to be present at the Auction.

(b) The Debtors Shall Conduct the Auction.

The Debtors and their advisors shall direct and preside over the Auction. At the start of the Auction, the Debtors shall describe the terms of the Baseline Bid for the Assets. All incremental Bids made thereafter shall be Overbids (defined below) for such Assets and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders who submitted Bids on such Assets. The Debtors shall maintain a written transcript of all Bids made and announced at the Auction, including the Baseline Bid, all applicable Overbids, and the Successful Bid.

Only the Debtors, the Qualified Bidders (including the Stalking Horse Bidder), members of the Committee (if any), the DIP Agent, the DIP Lenders, and each such parties' respective legal and financial advisors shall be entitled to attend the Auction, along with any other creditor, and any other party the Debtors deem appropriate (collectively the "Auction Attendees") (*provided, however*, that any party other than the Qualified Bidders, the Stalking Horse Bidder, members of the Committee (if any), the DIP Agent, the DIP Lenders, and each such parties' respective legal

and financial advisors shall be required to provide notice to the Debtors at least two (2) days prior to the auction by sending an email to the parties identified in paragraph 1 above).

(c) Terms of Overbids.

“Overbid” means any bid made at the Auction by a Qualified Bidder subsequent to the Debtors’ announcement of the Baseline Bid and accepted by the Debtors, in consultation with the Consultation Parties, as a higher or otherwise better bid. Each applicable Overbid must comply with the following conditions:

- (i) **Minimum Overbid Increment.** The initial Overbid for the Assets, if any, shall provide for total consideration to the Debtors, having a value that is no less than \$250,000 more than the value of the consideration under the Baseline Bid for the Assets (the “Minimum Overbid Increment”). Except as may be otherwise provided in the Stalking Horse Agreement, the Debtors reserve the right, after consultation with the Consultation Parties, to announce reductions or increases in the Minimum Overbid Increment for the Assets at any time during the Auction. If a Bidder other than the Stalking Horse Bidder is the Successful Bidder as to the Assets subject to the Stalking Horse Agreement, the net proceeds available to the Debtors for any such Assets will be reduced by the amount of the Bid Protections of the Stalking Horse Bidder under the Stalking Horse Agreement and paid to the Stalking Horse Bidder at closing of such Bidder’s Bid.
- (ii) **Conclusion of Each Overbid Round.** Upon the solicitation of each round of applicable Overbids, the Debtors may announce a deadline (as may be extended from time to time, the “Overbid Round Deadline”) by which time any Overbids must be submitted to the Debtors.
- (iii) **Overbid Alterations.** An applicable Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable in the aggregate to the Debtors’ estates than any prior Bid or Overbid, as determined in the Debtors’ reasonable business judgment, in consultation with the Consultation Parties, but shall otherwise comply with the terms of these Bidding Procedures.

(d) Closing the Auction.

- (i) The Auction shall continue until there is only one Bid for the Assets that the Debtors determine, in their reasonable business judgment, in consultation with the Consultation Parties, to be the highest or otherwise best Bid for such Assets. Such Bid shall be declared the “Successful Bid,” for such Assets and such Qualified Bidder, the “Successful Bidder” for such Assets at which point the Auction will be closed as to such Assets. Such acceptance by the Debtors of the Successful Bid is conditioned upon approval by the Court of the Successful Bid.

- (ii) The Debtors shall have no obligation to consider any Bids or Overbids submitted after the conclusion of the Auction, and any such Bids or Overbids shall be deemed untimely and shall not constitute a Qualified Bid.
- (iii) Within one (1) business day after closing the Auction, the Successful Bidder shall increase its Deposit so that its Deposit equals 10% of the Purchase Price of the Successful Bid, unless the Successful Bidder is the Stalking Horse Bidder.
- (iv) Within two (2) business days after closing the Auction, the Debtors shall cause the Qualified Bid Documents for each Successful Bid and Backup Bid to be filed with the Court.

(e) No Collusion; Good-Faith *Bona Fide* Offer.

Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the bidding, and (ii) its Bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction on the terms of its Qualified Bid if selected as the Successful Bidder or the Backup Bidder.

8. Backup Bidder.

- (a) Notwithstanding anything in these Bidding Procedures to the contrary, if an Auction is conducted for the Assets, the Qualified Bidder with the next-highest or otherwise second-best Bid at the Auction for such Assets, as determined by the Debtors in the exercise of their reasonable business judgment, and in consultation with the Consultation Parties (the “Backup Bid”), shall be required to serve as a backup bidder (the “Backup Bidder”) for such Assets, and each Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated by the Debtors.
- (b) The identity of the Backup Bidder and the amount and material terms of the Backup Bid shall be announced by the Debtors at the conclusion of the Auction at the same time the Debtors announce the identity of the Successful Bidder. The Backup Bidder shall be required to keep its Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable until the closing of the transaction with the applicable Successful Bidder or as otherwise provided in the Stalking Horse Agreement. The Backup Bidder’s Deposit shall be held in escrow until the closing of the transaction with the applicable Successful Bidder.
- (c) If a Successful Bidder fails to consummate the approved transactions contemplated by its Successful Bid, the Debtors may select the applicable Backup Bidder as the Successful Bidder, and such Backup Bidder shall be deemed a Successful Bidder for all purposes. The Debtors will be authorized, but not required, to consummate all transactions contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party. The defaulting Successful Bidder’s Deposit shall be

forfeited to the Debtors, and the Debtors specifically reserve the right to seek all remedies available against the defaulting Successful Bidder, including specific performance, if applicable.

9. Reservation of Rights.

The Debtors reserve their rights to modify these Bidding Procedures in their reasonable business judgment, and in consultation with the Consultation Parties and, to the extent such changes are inconsistent with the Stalking Horse Agreement or debtor-in-possession financing orders, with the consent of the DIP Agent and the Stalking Horse Bidder, in any manner that will best promote the goals of the bidding process, or impose, at or prior to the Auction, additional customary terms and conditions on the sale of the Assets, including, without limitation: (a) extending the deadlines set forth in these Bidding Procedures; (b) adjourning the Auction at the Auction and/or adjourning the Sale Hearing in open court without further notice, or by adjourning either of those events by filing a notice on the Court's docket prior to the commencement of each such event; (c) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (d) cancelling the Auction; and (e) rejecting any or all bids or Bids; *provided, however*, that any changes to the dates and deadlines set forth herein shall (i) comply with any milestones contained in the Debtors' DIP Credit Agreement approved by the Bankruptcy Court (the "Sale Milestones") in these Cases or (ii) be made with the consent of the DIP Agent and the Stalking Horse Bidder; *provided further*, that nothing in this Section shall limit any rights or remedies of the Stalking Horse Bidder under the Stalking Horse Agreement with respect to material modifications to these Bidding Procedures, the Bidding Procedures Order, or the agreed form of sale order.

10. Sale Hearing.

A hearing to consider approval of the Sale of the Assets to the Successful Bidder(s) (or to approve the Stalking Horse Agreement, as applicable, if no Auction is held) (the "Sale Hearing") is currently scheduled to take place at **10:00 a.m. (prevailing Eastern Time) on January 21, 2025** before the Honorable Karen B. Owens in the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 6th Floor, Courtroom No. 3, Wilmington, Delaware 19801.

The Sale Hearing may be continued to a later date by the Debtors (consistent with the Sale Milestones or with the consent of the DIP Agent and the Stalking Horse Bidder), by sending notice prior to, or making an announcement at, the Sale Hearing. No further notice of any such continuance will be required to be provided to any party (excluding the Stalking Horse Bidder).

At the Sale Hearing, the Debtors shall present the Successful Bid(s) to the Court for approval.

11. Bidding Protections.

To provide an incentive and to compensate the Stalking Horse Bidder for performing the substantial due diligence and incurring the expenses necessary and entering into a Stalking Horse Agreement with the knowledge and risk that arises from participating in the sale and subsequent bidding process, the Debtors have agreed to pay the Stalking Horse Bidder, under the conditions

and in the amount set forth in the Bidding Procedures Order, a reasonable expense reimbursement not to exceed \$100,000 (the “Expense Reimbursement” or the “Bid Protections”), payable pursuant to the terms of the Bidding Procedures Order.

The obligation of the Debtors to pay the Expense Reimbursement (i) shall be entitled to administrative expense status under sections 503(b) and 507(a)(2) of the Bankruptcy Code, *provided, however*, that the Expense Reimbursement shall be payable directly out of the proceeds of, and as a precondition to an alternative transaction; (ii) shall survive the termination of the Stalking Horse Agreement to the extent provided in the Stalking Horse Agreement; and (iii) shall be payable in accordance with the terms set forth in the Stalking Horse Agreement, subject to the terms of the Bidding Procedures Order.

12. Return of Deposit; Remedies.

The Deposit of the Successful Bidder shall be applied to the Purchase Price of such transaction at closing. The Deposits for each Qualified Bidder shall be held in one or more non-interest-bearing escrow accounts on terms acceptable to the Debtors (in consultation with the Consultation Parties) and shall be returned (other than with respect to the Successful Bidder, and the Backup Bidder) on or within five (5) business days after the Auction, including the Deposit of the Stalking Horse Bidder if it is not the Successful Bidder or Backup Bidder.

If a Successful Bidder fails to consummate a proposed transaction other than as a result of a material breach by the Debtors, and except as otherwise provided in the Stalking Horse Agreement, the Debtors will not have any obligation to return the Deposit deposited by such Successful Bidder, which may be retained by the Debtors as damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors (except, in the case of a Stalking Horse Bidder, as otherwise provided in the Stalking Horse Agreement), and the Debtors shall, with the consent of the DIP Agent, be free to consummate the proposed transaction with the applicable Backup Bidder without the need for an additional hearing or order of the Court, *provided* that nothing herein shall prohibit any party from seeking an additional hearing or order of the Court.

13. Fiduciary Out.

Nothing in these Bidding Procedures shall require the board of directors, board of managers, or similar governing body of a Debtor to take any action, or to refrain from taking any action, with respect to these Bidding Procedures, to the extent such board of directors, board of managers, or such similar governing body determines, or based on the advice of counsel, that taking such action, or refraining from taking such action, as applicable, is required to comply with applicable law or its fiduciary obligations under applicable law.

14. Contract Procedures.

Within three (3) business days from the entry of the Bidding Procedures Order, the Debtors shall file and serve, via U.S. mail or email, if available, on all counterparties (the “Counterparties”) to its executory contracts and unexpired leases (the “Contracts”) a notice (the “Cure Notice”) of (a) the potential assumption by the Debtors and assignment to the Successful Bidder(s) of the Contracts, and (b) the proposed amount necessary, under section 365(b)(1) of the Bankruptcy

Code, to cure any outstanding monetary defaults and compensate the Counterparties for any pecuniary losses in connection with such assumption and assignment (the “Proposed Cure Amounts”), which shall be included on a schedule attached to the Cure Notice (the “Executory Contracts Schedule”).

If at any time after the issuance of the Cure Notice but prior to the Sale Hearing it is discovered that a Contract should have been listed on the Executory Contracts Schedule but was not (any such Contract, a “Previously Omitted Contract”), the Debtors shall promptly following discovery thereof file and serve via U.S. mail or email, if available, a Cure Notice on the non-Debtor counterparty(ies) to such previously omitted contract notifying such counterparties of the Debtors’ intention to assume and assign such previously omitted contract to the Successful Bidder, including the Proposed Cure Amounts relating thereto.

Each Counterparty shall have until 4:00 p.m. (prevailing Eastern time) on the date that is fourteen (14) days after the filing and service by the Debtors to the Counterparty of the Cure Notice (the “Contract Objection Deadline” and/or “Cure Objection Deadline” as the case may be) to object to the assumption and assignment of its Contract on any grounds or the Proposed Cure Amount, but excluding any objection as to adequate assurance of future performance under section 365(b)(1) of the Bankruptcy Code except with respect to the Stalking Horse Bidder. Any unresolved objections, including any objection as to adequate assurance of future performance under section 365(b)(1) of the Bankruptcy Code, shall be heard at the Sale Hearing, unless otherwise agreed by the parties; provided that the Debtors shall have the right to adjourn any Sale Hearing without the consent of any objecting party. If any objections to the amount of Proposed Cure Amounts remain unresolved as of the date of the Closing of the Sale of any Assets, the Debtors may (but are not required to) deposit the disputed amount of Proposed Cure Amounts relating to such Asset(s) in a segregated account to hold pending resolution of such objections.

Each Counterparty may raise objections as to adequate assurance of future performance until **4:00 p.m. (prevailing Eastern Time) on January 16, 2025** respect to a Successful Bidder other than the Stalking Horse Bidder. Notwithstanding the foregoing, objections of any Counterparty related to adequate assurance of future performance by the Stalking Horse Bidder must be filed with this Court and properly served on the Debtors, the Consultation Parties, and the Sale Notice Parties so as to be received no later than **4:00 p.m. (prevailing Eastern Time) on December 19, 2024**.

Any such objection must be filed and served on the Debtors and their counsel, the Committee (if any) and its counsel, the DIP Agent and its counsel, and the applicable Successful Bidder or Stalking Horse Bidder (if any), as applicable, and its counsel, so as to be actually received by the above deadline. Any such unresolved objections shall be heard at the Sale Hearing, unless otherwise agreed by the parties.

Exhibit 2

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:

RAINBOW PRODUCTION SERVICES,
LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12564 (KBO)
Jointly Administered

THE DEBTORS PROPOSE TO SELL SUBSTANTIALLY ALL OF THEIR ASSETS. IF YOU BELIEVE YOU HOLD ANY INTEREST IN THOSE ASSETS, WHETHER CONTRACTUAL OR OTHERWISE, YOU MUST FILE A PLEADING WITH THE COURT STATING SO IN ACCORDANCE WITH THIS NOTICE. IF YOU FAIL TO DO SO, THE ASSETS WILL BE SOLD FREE AND CLEAR OF YOUR INTERESTS.

**NOTICE OF BIDDING PROCEDURES, AUCTION DATE, POTENTIAL SALE AND
DEADLINE TO ASSERT INTEREST IN DEBTORS' ASSETS**

PLEASE TAKE NOTICE that, on November 4, 2024, Rainbow Production Services, LLC and certain of its affiliates (collectively, the “**Debtors**”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”), in the United States Bankruptcy Court for the District of Delaware (the “**Court**”).

PLEASE TAKE FURTHER NOTICE that, on November 5, 2024, the Debtors filed their *Motion Pursuant to Sections 105, 363 and 365 of the Bankruptcy Code: (I) for Entry of an Order (A) Approving Sale Timeline, Bidding Procedures and the Form and Matter of Notices Thereof and Related Thereto, and (B) Approving the Debtors' Entry Into the Stalking Horse Agreement; (II) for Entry of an Order Approving the Debtors' (A) Sale of All or Substantially All of the Debtors' Assets Free and Clear of All Encumbrances Other Than Assumed Liabilities and (B) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases to the Winning Bidder; and (III) Granting Related Relief* [D.I. 46] (the “**Motion**”).

PLEASE TAKE FURTHER NOTICE that, on December [●], 2024, the Court entered that certain *Order (I) Approving Bidding Procedures for the Sale of the Debtors' Assets, (II) Approving the Form and Manner of Notice of the Sale and Bid Deadlines, (III) Authorizing the Debtors to Select a Stalking Horse Bidder and Enter Into a Purchase Agreement With Such Bidder Providing for Certain Bid Protections, (IV) Approving (A) Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases and (B) the Form and Manner of Notice Thereof, (V) Scheduling the Auction and Hearing to Consider Approval of the Sale, and (VI)*

¹ The address of the Debtors is 9000 Sunset Blvd., Ste. 1400, Los Angeles, CA 90069. The last four digits of the Debtors' federal tax identification numbers are: (i) Rainbow Production Services, LLC (4758); (ii) Rainbow Digital Services, LLC (9827); (iii) Film Finances, Inc. (7130); and (iv) EPS-Cineworks, Inc. (3355).

Granting Related Relief [D.I. [●]] (the “**Bidding Procedures Order**”),² which approved, among other things, (a) procedures (the “**Bidding Procedures**”) pursuant to which the Debtors are authorized to solicit and pursue a sale of all or substantially all of the Debtors’ assets (the “**Assets**”) or components thereof under section 363 of the Bankruptcy Code (the “**Sale**”), (b) the scheduling of a hearing to approve the Sale free and clear of any liens, claims, and encumbrances under section 363 of the Bankruptcy Code, and (c) procedures in connection with the assumption and assignment of any executory contracts or unexpired leases the Debtors seek to have assumed and assigned in connection with such Sale. ***All interested bidders should carefully read the Bidding Procedures Order and the Bidding Procedures in their entirety.***

PLEASE TAKE FURTHER NOTICE that all interested parties are invited to provide materials (as described in the Bidding Procedures) to apply to become a Potential Bidder (as defined in the Bidding Procedures) and submit a Bid in accordance with the Bidding Procedures and the Bidding Procedures Order. The Bidding Procedures provide information regarding the requirements for a Potential Bidder to be a “Qualified Bidder” and a bid to be a “Qualified Bid” for purposes of competing at an Auction (as defined below).

PLEASE TAKE FURTHER NOTICE that the deadline to submit a Qualified Bid for the Assets or component thereof is **January 6, 2025 at 4:00 p.m. (prevailing Eastern Time)** (the “**Bid Deadline**”). Pursuant to the Bidding Procedures Order, in the event that the Debtors timely receive one or more Qualified Bids other than one from the Stalking Horse Bidder, if any, the Debtors are authorized to conduct an auction (the “**Auction**”) for the Assets in accordance with the Bidding Procedures Order. The Auction, if held, will occur on **January 9, 2025 at 10:00 a.m. (prevailing Eastern Time)** at a place, including via remote video, determined by the Debtors as shall be timely communicated to all entities entitled to attend the Auction. Only the Debtors, the Qualified Bidders, the Stalking Horse Bidder, members of the Committee, the DIP Agent, the DIP Lenders, and each such parties’ respective legal and financial advisors shall be entitled to attend the Auction, along with any other creditor, and any other party the Debtors deem appropriate (collectively, the “**Auction Attendees**”) (*provided, however*, that any party other than the Qualified Bidders, the Stalking Horse Bidder, members of the Committee, the DIP Agent, the DIP Lenders, and each such parties’ respective legal and financial advisors shall be required to provide notice to the Debtors at least two (2) days prior to the auction by sending an email to the parties identified in the Bidding Procedures). If an Auction is cancelled, the Debtors shall file a notice of cancellation of the Auction.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Sale (the “**Sale Objections**”) shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of Practice and Procedure for the United States Bankruptcy Court for the District of Delaware, shall set forth the name of the objecting party, the nature and amount of any claims or interests held or asserted against the Debtors’ estate or properties, the basis for the objection, and the specific grounds therefore, and shall be filed and served upon the following so that such objections are received by **January 14, 2025 at 4:00 p.m. (prevailing Eastern Time)** (the “**Sale Objection Deadline**”)³ by: (a) counsel for the Debtors, (i) Bayard, P.A., (Attn: Ericka F. Johnson

² Capitalized terms used but not defined have the meanings ascribed to them in the Bidding Procedures Order.

³ All dates, times, and deadlines are subject to change or modification in accordance with the Bidding Procedures Order.

(ejohnson@bayardlaw.com)) and (ii) Levene, Neale, Bender, Yoo & Golubchik L.L.P. (Attn: David L. Neale (dln@lnbyg.com) and Krikor J. Meshefejian (kjm@lnbyg.com)); (b) Roth Capital Partners, LLC (Attn: Alex Stoyanov (astoyanov@roth.com) and Sean Leahy (sleahy@roth.com)); (c) counsel to the DIP Agent, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (Attn: Frank J. Earley (FJEarley@mintz.com), Kaitlin R. Walsh (KRWalsh@mintz.com), and Dormie Ko (DKo@mintz.com)); (d) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware, 19801 (Attn: Jon Lipshie (jon.lipshie@usdoj.gov)) and (e) the Notice Parties.

PLEASE TAKE FURTHER NOTICE that failure of any entity to file an objection on or before the Sale Objection Deadline shall be deemed to constitute consent to the sale of the Assets to the Successful Bidder and the other relief requested in the Motion, and be a bar to the assertion, at the Sale Hearing or thereafter, of any objection to the Motion, the Auction, the Sale, or the Debtors' consummation and performance of the terms of the Stalking Horse Agreement or such other definitive purchase agreement, as applicable.

PLEASE TAKE FURTHER NOTICE that the Bidding Procedures Order provides that a hearing to approve the Sale of the applicable Assets to the Successful Bidder shall take place on **January 21, 2025 at 10:00 a.m. (prevailing Eastern Time)** (the "**Sale Hearing**"). The Sale Hearing will be held before the Honorable Karen B. Owens at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 6th Floor, Wilmington, DE 19801.

PLEASE TAKE FURTHER NOTICE that this notice is subject to the full terms and conditions of the Motion, the Bidding Procedures Order, and the Bidding Procedures, and the Debtors urge parties in interest to review such documents in their entirety. Copies of the Motion, the Stalking Horse Agreement, if any, the Bidding Procedures, and the Bidding Procedures Order, in addition to any related documents that may be filed, may be obtained by accessing (a) the website of the Debtors' notice and claims agent, Donlin, Recano & Company, Inc. at <https://www.donlinrecano.com/Clients/rps/Index> for no charge, or (b) the Court's internet site: <https://ecf.deb.uscourts.gov>, for a fee, through an account obtained from the PACER website at <http://pacer.psc.uscourts.gov>.

CONSEQUENCES OF FAILING TO TIMELY FILE AND SERVE A SALE OBJECTION

ANY PARTY OR ENTITY THAT FAILS TO TIMELY FILE AND SERVE AN OBJECTION ON OR BEFORE THE SALE OBJECTION DEADLINE OR POST-AUCTION OBJECTION DEADLINE, AS APPLICABLE, IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER SHALL BE DEEMED TO CONSENT TO THE SALE OF THE ASSETS FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING. ANY CREDITOR THAT RECEIVES NOTICE OF A SALE HEARING AND FAILS TO TIMELY FILE AN OBJECTION TO THE SALE ON OR BEFORE THE APPLICABLE OBJECTION DEADLINE IN ACCORDANCE WITH

THE BIDDING PROCEDURES ORDER SHALL BE DEEMED TO HAVE CONSENTED UNDER SECTION 363(F)(2) OF THE BANKRUPTCY CODE TO SUCH SALE FREE AND CLEAR OF SUCH CREDITOR'S LIEN, CLAIMS, ENCUMBRANCES, OR INTERESTS, IF ANY.

Exhibit 3

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:

RAINBOW PRODUCTION SERVICES, LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 24-12564 (KBO)

(Jointly Administered)

NOTICE OF (I) POTENTIAL ASSUMPTION AND ASSIGNMENT OF CERTAIN
EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND
(II) PROPOSED CURE AMOUNTS

You are receiving this notice (this “**Notice**”) because you may be a counterparty to an executory contract or unexpired lease with one or more of the Debtors (defined below) as set forth on **Appendix A** hereto. Please read this notice carefully as your rights may be affected by the transactions described herein.²

PLEASE TAKE NOTICE that, on November 4, 2024, Rainbow Production Services, LLC and certain of its affiliates (collectively, the “**Debtors**”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”), in the United States Bankruptcy Court for the District of Delaware (the “**Court**”).

PLEASE TAKE FURTHER NOTICE that, on November 6, 2024, the Debtors filed their *Motion Pursuant to Sections 105, 363 and 365 of the Bankruptcy Code: (I) for Entry of an Order (A) Approving Sale Timeline, Bidding Procedures and the Form and Matter of Notices Thereof and Related Thereto, and (B) Approving the Debtors’ Entry Into the Stalking Horse Agreement; (II) for Entry of an Order Approving the Debtors’ (A) Sale of All or Substantially All of the Debtors’ Assets Free and Clear of All Encumbrances Other Than Assumed Liabilities and (B) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases to the Winning Bidder; and (III) Granting Related Relief* [D.I. 46] (the “**Motion**”).

PLEASE TAKE FURTHER NOTICE that, on December [●], 2024, the Court entered that certain *Order (I) Approving Bidding Procedures for the Sale of the Debtors’ Assets, (II) Approving the Form and Manner of Notice of the Sale and Bid Deadlines, (III) Authorizing the Debtors to Select a Stalking Horse Bidder and Enter Into a Purchase Agreement With Such Bidder Providing for Certain Bid Protections, (IV) Approving (A) Procedures for the Assumption and*

¹ The address of the Debtors is 9000 Sunset Blvd., Ste. 1400, Los Angeles, CA 90069. The last four digits of the Debtors’ federal tax identification numbers are: (i) Rainbow Production Services, LLC (4758); (ii) Rainbow Digital Services, LLC (9827); (iii) Film Finances, Inc. (7130); and (iv) EPS-Cineworks, Inc. (3355).

² This Notice is being sent to counterparties to contracts and leases that may be executory contracts and unexpired leases. This notice is not an admission by the Debtors that such contract or lease is executory or unexpired.

Assignment of Executory Contracts and Unexpired Leases and (B) the Form and Manner of Notice Thereof, (V) Scheduling the Auction and Hearing to Consider Approval of the Sale, and (VI) Granting Related Relief [D.I. [●]] (the “**Bidding Procedures Order**”),³ which approved, among other things, (a) procedures (the “**Bidding Procedures**”) pursuant to which the Debtors are authorized to solicit and pursue a sale of all or substantially all of the Debtors’ assets (the “**Assets**”) or components thereof under section 363 of the Bankruptcy Code (the “**Sale**”), (b) the scheduling of a hearing to approve the Sale free and clear of any liens, claims, and encumbrances under section 363 of the Bankruptcy Code, and (c) procedures in connection with the assumption and assignment of any executory contracts or unexpired leases the Debtors seek to have assumed and assigned in connection with such Sale.

Pursuant to the Bidding Procedures Order, a hearing to approve the Sale of the applicable Assets to the Successful Bidder shall take place on **January 21, 2025 at 10:00 a.m. (prevailing Eastern Time)** (the “**Sale Hearing**”). The Sale Hearing will be held before the Honorable Karen B. Owens, at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 6th Floor, Wilmington, DE 19801.⁴

Pursuant to the Bidding Procedures Order, the Debtors **may** assume and assign to a Stalking Horse Bidder⁵, Backup Bidder, or a Successful Bidder other than the Stalking Horse Bidder or the Backup Bidder, the executory contract(s) or unexpired lease(s) listed on Appendix A attached hereto (each, a “**Contract**”) to which you are a counterparty. The Debtors have conducted a review of their books and records and have determined that the cure amounts required to be paid pursuant to Bankruptcy Code section 365(b) in respect of such Contract(s) (the “**Cure Amount**”) are as set forth on Appendix A attached hereto.

If you object to the assumption and assignment of a Contract to which you are a counterparty or disagree with the proposed Cure Amount, you must file an objection (a “Contract Assumption and Assignment Objection**” or a “**Cure Objection**” as the case may be), stating with specificity the nature of your objection, with the Bankruptcy Court no later than 4:00 p.m. (prevailing Eastern Time) on the date that is fourteen (14) days after the date of this Notice (the “**Contract Assumption and Assignment Objection Deadline**” and “**Cure Objection Deadline**”).** Contract Assumption and Assignment Objections and/or Cure Objections must be filed and served *so as to be actually received by the Contract Assumption and Assignment Objection Deadline and Cure Objection Deadline*, as applicable, by: (a) counsel for the Debtors, (i) Bayard, P.A., (Attn: Ericka F. Johnson (ejohnson@bayardlaw.com)) and (ii) Levene, Neale, Bender, Yoo & Golubchik L.L.P. (Attn: David L. Neale (dln@lnbyg.com) and Krikor J. Meshefejian (kjm@lnbyg.com)); (b) Roth Capital Partners, LLC (Attn: Alex Stoyanov (astoyanov@roth.com) and Sean Leahy (sleahy@roth.com)); (c) counsel to the DIP Agent, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (Attn: Frank J. Earley (FJEearley@mintz.com), Kaitlin R. Walsh (KRWalsh@mintz.com), and Dormie Ko (DKo@mintz.com)); (d) the Office of

³ Capitalized terms used but not defined have the meanings ascribed to them in the Bidding Procedures Order.

⁴ Dates relating to the Sales, including the scheduled dates for the Auctions and Sale Hearings, may be changed in accordance with the Bidding Procedures Order.

⁵ The Stalking Horse Bidder is Film Services International, LLC, which is an affiliate of the Pre-Petition Lenders and the DIP Lenders.

the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware, 19801 (Attn: Jon Lipshie (Jon.Lipshie@usdoj.gov)) and (e) the Notice Parties.

If the counterparty to any Contract(s) fails to file an objection by the Contract Assumption and Assignment Deadline to the assumption and assignment of its Contract(s), then that counterparty shall be (i) deemed to have agreed and stipulated to the assumption and assignment of its Contract(s) to the Successful Bidder and (ii) forever barred, estopped, and enjoined from objecting to the assumption and assignment of its Contract(s) to the Successful Bidder.

If the counterparty to any Contract(s) fails to file an objection by the Cure Objection Deadline to the Cure Amount(s), then that counterparty shall be (i) deemed to have agreed and stipulated to the accuracy of the Cure Amount(s) set forth on this Appendix A, and (ii) forever barred, estopped, and enjoined from asserting any additional cure amount under or in respect of the Contract(s).

Notwithstanding the foregoing, **each counterparty may raise objections as to adequate assurance of future performance until 4:00 p.m. (prevailing Eastern Time) on January 16, 2025** with respect to a Successful Bidder other than the Stalking Horse Bidder. Objections of any Counterparty related to adequate assurance of future performance by the Stalking Horse Bidder must be filed with this Court and properly served on the Debtors, the Consultation Parties (if any), and the Sale Notice Parties so as to be received no later than **4:00 p.m. (prevailing Eastern Time) on December 19, 2024**.

If the counterparty to any Contract(s) fails to file an objection by the applicable deadline to raise objections as to adequate assurance of future performance, then that counterparty shall be forever barred and estopped from objecting to the assumption or assignment of such Contracts to the assignee on that basis or asserting or claiming that the assignee failed to provide such Non-Debtor Counterparty with adequate assurance of future performance.

Within two (2) business days after the Debtors' selection of the Successful Bidder and the conclusion of the Auction (if any), the Debtors shall file notice of the Successful Bid and Successful Bidder (the "**Successful Bidder Notice**").

With respect to any Contract(s) assumed and assigned to the Successful Bidder (the "**Assumed Contracts**"), if a non-Debtor party to an Assumed Contract has objected solely to the proposed Cure Amount, the Debtors may, with the consent of, or at the direction of, the Successful Bidder, pay the undisputed portion of such Cure Amount and place the disputed amount in a segregated account pending further order of the Court or mutual agreement of the parties. So long as such disputed amounts are held in such segregated account, the Debtors may, without delay, assume and assign such Assumed Contract to the applicable assignee. Under such circumstances, the objecting non-Debtor counterparty's recourse is limited to the funds held in such segregated account.

Following the payment of the Cure Amount(s) (subject to the preceding paragraph), the Debtors' filing and service of a notice regarding the closing of a Sale shall serve as notice that such Assumed Contracts have actually been assumed and assigned.

Notwithstanding anything herein, this notice shall not be deemed to be an assumption, assignment, adoption, rejection, termination, or concession to the executory nature of any Contract(s). Moreover, the Debtors explicitly reserve their rights, in their sole discretion, to reject or assume each Contract pursuant to section 365(a) of the Bankruptcy Code and nothing herein (a) alters in any way the prepetition nature of the Contract(s) or the validity, priority, or amount of any claims of a counterparty to any Contract against the Debtors that may arise under such Contract, (b) creates a postpetition contract or agreement, or (c) elevates to administrative expense priority any claims of an counterparty to a Contract against the Debtors that may arise under such Contract.

This notice is subject to the full terms and conditions of the Motion, the Bidding Procedures Order, and the Bidding Procedures, and the Debtors urge parties in interest to review such documents in their entirety. Copies of the Motion, the Stalking Horse Agreement, the Bidding Procedures, and the Bidding Procedures Order, in addition to any related documents that may be filed, may be obtained by accessing (a) the website of the Debtors' notice and claims agent, Donlin, Recano & Company, Inc. at <https://www.donlinrecano.com/Clients/rps/Index> for no charge, or (b) the Court's internet site: <https://ecf.deb.uscourts.gov>, for a fee, through an account obtained from the PACER website at <http://pacer.psc.uscourts.gov>.